



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor
Ted Stewart
Executive Director
Lowell P. Braxton
Division Director

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May 20, 1998

CERTIFIED RETURN RECEIPT
P 074 976 645

Dennis Wanlass
Vice President and Chief Financial Officer
Geneva Steel Company
10 South Geneva Road, KQ
Vineyard, Utah 84058

Re: Formal Approval of Form and Amount of Replacement Reclamation Surety, Geneva Steel Company, Iron Mountain, M/021/008, Iron County and Keigley Quarry, M/049/001, Utah County, Utah

Dear Mr. Wanlass:

On May 20, 1998, the Acting Director of the Division of Oil, Gas and Mining formally approved the form and amount of replacement reclamation surety for Geneva Steel Company's Iron Mountain and Keigley Quarry mine sites. The Division has been directed that whenever a surety is changed, the amount needs to be updated to current dollars and escalated five years into the future. Due to time constraints and the Division workload, we were not able to perform a field inspection to re-calculate the bonds. Therefore, there is no change to the mining and reclamation plan at this time; these replacement surety amounts are escalated figures only from the currently approved plan.

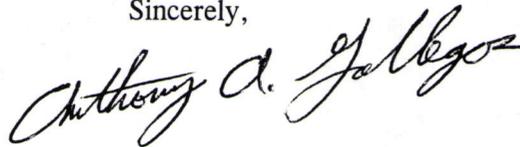
The new reclamation surety bonds issued by United Pacific Insurance Company replace the current surety bonds with St. Paul Fire and Marine. The new replacement surety for the Iron Mountain mine in the amount of \$1,073,000 is a joint surety with the Bureau of Land Management. The new replacement surety for the Keigley Quarry # is in the amount of \$615,500. The Division hereby grants its final approval of these replacement reclamation sureties.

Enclosed please find copies of the fully signed and executed Reclamation Contracts and surety bond forms for your files with the effective date of May 20, 1998. Enclosed are the original Reclamation Contracts with the effective date of July 26, 1995, for the Iron Mountain mine and effective date of October 24, 1991 for the Keigley Quarry for your disposal. Also enclosed for your return to St. Paul Fire and Marine is surety bond # with accompanying rider and stipulation in the amount of \$990,000 for Iron Mountain mine and surety bond # in the amount of \$505,000 for the Keigley Quarry.

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Dennis Wanlass
Geneva Replacement Bonds
May 20, 1998

Thank you for your help in finalizing this permitting action. Please call me if you have any questions in this regard.

Sincerely,



for D. Wayne Hedberg
Permit Supervisor
Minerals Regulatory Program

jb
Enclosures: (2) MR-RC's w/sureties
7/26/95 MR-RC & 10/24/91 MR-RC
Original St. Paul bond # 400 HR 7285 w/rider and stipulation
Original St. Paul bond #400 HR 7286
Geneva.apv